

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

CAF & CS Department - Waiving of Guarantee commission payable to the Government of Andhra Pradesh on Government guarantee issued to A.P.State Civil Supplies Corporation from time to time to carry out un-interrupted Paddy procurement operations under de-centralized procurement Policy and Rice distribution under Public Distribution System - Orders - Issued.

CONSUMER AFFAIRS, FOOD & CIVIL SUPPLIES (CS.I) DEPARTMENT

G.O. Ms.No.04

Dated:07.03.2024

Read the following :-

1. G.O.Ms.No.19, CAF & CS (CS-I) Department, Dt:24-11-2017.
2. G.O.Ms.No.7, CAF & CS (CS-I) Department, Dt:25-01-2019.
3. G.O.Ms.No.57, CAF & CS (CS-I) Department, Dt:24-10-2019.
4. G.O.Ms.No.14, CAF & CS (CS-I) Department, Dt:13-12-2019.
5. G.O.Ms.No.18, CAF & CS (CS-I) Department, Dt:12-06-2020.
6. G.O.Ms.No.1, CAF & CS (CS-I) Department, Dt:05-01-2021.
7. G.O.Ms.No.15, CAF & CS (CS-I) Department, Dt:07-12-2021.

O R D E R:

The A.P.State Civil Supplies Corporation Limited is the Authorized Agency of Government of Andhra Pradesh to carry out the MSP operations of Paddy and distribution of Rice and other essential commodities under PDS. MSP operations of Paddy involves huge financial requirements in every season to make timely payment to farmers and as there is time gap between making payment to farmers and realisation of these funds from GOI and GoAP, the Government of Andhra Pradesh have issued orders vide reference 1st read above, permitting A.P.State Civil Supplies Corporation Limited to avail loans to the extent of Rs.15000 Crore from Nationalized Banks on the guarantee of State Government to repay high cost outstanding loans and for procurement operations. It was also directed that A.P State Civil Supplies Corporation Limited has to pay 2% of the loans as Guarantee Commission.

2. Subsequently, the State Government issued orders enhancing limits for further loans to meet the paddy procurement operations from time to time vide references 2nd to 7th read above. The A.P.State Civil Supplies Corporation Limited paid Rs.105 Crore to Government in January 2018 towards guarantee Commission.

3. The major sources for repayment of loans to Banks for A.P.State Civil Supplies Corporation Limited are the subsidy receivable from Central and State Governments and being a residuary State, the State Government dues to A.P.State Civil Supplies Corporation Limited towards subsidy have been accumulated and as a consequence, the borrowing of A.P.State Civil Supplies Corporation Limited have increased and with the increased burden of interest, the financial position of A.P.State Civil Supplies Corporation Limited is not in such a condition to pay the remaining guarantee commission on the borrowed loans on the guarantee of the State Government.

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4. The Vice Chairman & Managing Director, A.P.State Civil Supplies Corporation Limited, Vijayawada requested the Government to consider to waive the guarantee commission on the loans taken from time to time with the guarantee of Government.

5. The Government after careful examination of the matter, hereby given exemption from paying of guarantee commission to the Government of Andhra Pradesh for availing the loans Banks and Financial Institutions on the guarantee of GoAP. The guarantee commission payable on the total loans availed by A.P.State Civil Supplies Corporation Limited on the guarantee of State Government as on date is also stands waived.

6. The Commissioner of Civil Supplies, Government of Andhra Pradesh is requested to take further action in the matter.

7. This order issues with the concurrence of Finance Department, vide their U.O.No.FIN01-BUGT0MISC/24/2021-CDM (C. No:1553540) dated:07.05.2022.

8. A copy of this order is available at apegazette.cgg.gov.in

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**H. ARUN KUMAR,
EX-OFFICIO SECRETARY TO GOVERNMENT.**

To

The Commissioner of Civil Supplies, A.P.Vijayawada.

The vice Chairman & Managing Director,

A.P.State Civil Supplies Corporation Limited, Vijayawada.

SF/SCs.

// FORWARDED :: BY ORDER //


SECTION OFFICER.